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INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE
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RUEHAK/AMEMBASSY ANKARA 2920
RUEHBJ/AMEMBASSY BEIJING 0740
RUEHKO/AMEMBASSY TOKYO 0616
RUEHIT/AMCONSUL ISTANBUL 1193
RUEATRS/DEPT OF TREASURY WASHDC
RUCPDO/DEPT OF COMMERCE WASHDC
RHEHNSC/NSC WASHDC
RHMFISS/CDR USCENCOM MACDILL AFB FL
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHDC
RUEKJCS/JOINT STAFF WASHDC
RUEKJCS/SECDEF WASHINGTON DC

C O N F I D E N T I A L ASHGABAT 001169

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STATE FOR SCA/CEN, EEB

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SUBJECT: TURKMENISTAN: ELI LILLY RE-ENTERS MARKET WITH
DIABETES AND CANCER DRUGS

Classified By: CHARGE RICHARD E. HOAGLAND FOR REASONS 1.4 (B), (D).

11. (C) SUMMARY: After a seven-year absence from the Turkmenistani market, U.S. pharmaceutical giant Eli Lilly is re-engaging, initially with diabetes and cancer medications. Their registration process is underway, and they are working with the Ministry of Healthcare on capacity building to ensure a successful start. Given that the individual who heads the government's diabetes center will be the company's part time consultant, it is likely the company will be able to market to government healthcare facilities. END SUMMARY.

LILLY'S PLANS IN TURKMENISTAN

12. (SBU) Eli Lilly Vostok S.A. has decided to re-enter the market here and has initiated the registration process to market its diabetes and cancer treatment medications. The company recently won a tender for diabetes treatment products, based on price. However, because the company has not been active in Turkmenistan, the Ministry subsequently gave the tender to Novartis. Lilly was active in the market here until 2000, but pulled out because of unspecified financial difficulties -- possibly related to the difficult business environment, including the dual exchange rate and problems repatriating profits.

LIKE MANY OTHERS, INTRODUCING THEMSELVES THROUGH CAPACITY BUILDING

13. (C) Lilly's Almaty office sponsored a one-day conference organized by the Ministry of Healthcare, "Current Problems in Endocrinology and Oncology," for researchers and practitioners in Ashgabat on October 29. The conference featured Kazakhstani diabetes and cancer specialists. The Head of the Representational Office for Central Asia and Caucasus Gulzhahan Shamshatova and Regional Sales Director Arman Kabdolov said they were not planning to open a representational office in Ashgabat. Instead, Healthcare Ministry Endocrinology Specialist Ogulsona Babayeva, who heads the government's diabetes center, will be the company's part time consultant. Babayeva indicated that the Ministry would purchase Lilly's diabetes, cancer, tuberculosis, and

mental-disorder treatment pharmaceuticals. Shamshatova plans to return to Ashgabat in January, and a sales representative residing in Kyrgyzstan will visit more frequently.

14. (SBU) COMMENT: Lilly representatives seem to feel the time is right to re-enter the Turkmenistan market and will test it initially with two pharmaceutical categories that are likely to be most in demand. With access to a contact in the Healthcare Ministry, the company may be focused on pharmaceutical sales to government healthcare facilities. Given the largely state-controlled healthcare system here, the more interesting questions are whether the company will be able to make a profit, and whether they will be permitted to market their products to the small community of private health-care providers. END COMMENT.
HOAGLAND